

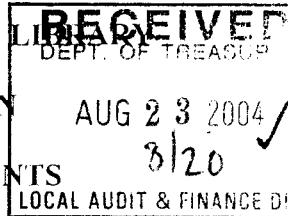
11-8-008

GALIEN TOWNSHIP PUBLIC LIBRARY

GALIEN, MICHIGAN

FINANCIAL STATEMENTS

Year ended March 31, 2003



## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name <i>Galen Township Public Library</i>		County <i>Benjamin</i>
Audit Date <i>MARCH 31, 2003</i>	Opinion Date <i>JUNE 22, 2004</i>	Date Accountant Report Submitted to State: <i>August 20, 2004</i>		

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

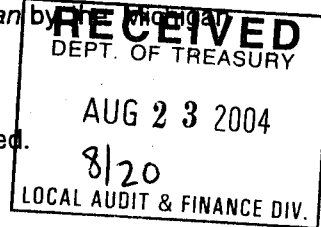
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

### We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) <i>SCARPONE &amp; Co., P.C.</i>			
Street Address <i>20 N. Second St., P.O. Box 1146</i>	City <i>Niles</i>	State <i>Mi</i>	ZIP <i>49120</i>
Accountant Signature <i>James L. Scarpone, CPA</i>			



**GALIEN TOWNSHIP PUBLIC LIBRARY**

**GALIEN, MICHIGAN**

**TABLE OF CONTENTS**

**FINANCIAL STATEMENTS**

<b><u>ITEM</u></b>	<b><u>PAGE NUMBER</u></b>
<b>BOARD OF TRUSTEES .....</b>	<b>1</b>
<b>INDEPENDENT AUDITORS' REPORT .....</b>	<b>2</b>
<b>GENERAL PURPOSE FINANCIAL STATEMENTS:</b>	
<b>Balance Sheet .....</b>	<b>3</b>
<b>Statements of Revenues, Expenditures and Changes         in Fund Balance .....</b>	<b>4</b>
<b>Statements of Revenues, Expenditures and Changes in Fund .....</b>	
<b>Balance - Budget and Actual .....</b>	<b>5</b>
<b>Notes to General Purpose Financial Statements .....</b>	<b>6-8</b>

**GALIEN TOWNSHIP PUBLIC LIBRARY**

**GALIEN, MICHIGAN**

**BOARD OF TRUSTEES**

Kay Longacre	-	President
Robert Schau	-	Vice-President
Corrinne Rock	-	Secretary
Linda Doyle	-	Treasurer
Joyce Hickok	-	Trustee
Paul Palmer	-	Trustee



SCARPONE & CO., P.C.  
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

June 22, 2004

Members of the Board of Trustees  
Galien Township Public Library  
Galien, Michigan

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying general purpose financial statements of Galien Township Public Library as of March 31, 2003, and for the year then ended. These financial statements are the responsibility of the management of Galien Township Public Library. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Governmental Auditing Standards" issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The general purpose financial statements referred to above do not include the general fixed assets account group, which should be included as required by generally accepted accounting principles. The amount that should be recorded in the general fixed assets account group is not known.

In our opinion, except for the omission in the financial statements which results in an incomplete presentation, as described above, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Galien Township Public Library as of March 31, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

*Scarpone & Co., P.C.*

**GALIEN TOWNSHIP PUBLIC LIBRARY**

**BALANCE SHEET**

**March 31, 2003**

**ASSETS**

Cash and cash equivalents	\$ 98,909
Investments	181,556
Taxes receivable	3,203
Prepaid expense	392
<b>TOTAL ASSETS</b>	<b>\$ 284,060</b>

**LIABILITIES AND FUND EQUITY**

**LIABILITIES:**

Accounts payable	\$ 696
Payroll taxes payable	721

**TOTAL LIABILITIES** 1,417

**FUND EQUITY:**

**Fund Balances:**

Reserved	9,000
Unreserved	273,643

**TOTAL FUND EQUITY** 282,643

**TOTAL LIABILITIES AND  
FUND EQUITY**

**\$ 284,060**

See accompanying notes to general purpose financial statements.

**GALIEN TOWNSHIP PUBLIC LIBRARY**

**STATEMENTS OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**Year ended March 31, 2003**

**REVENUES:**

Property taxes	\$ 38,125
State-shared revenue	2,673
County penal fines	25,836
Charges for services	1,004
Interest	8,713
Donations	1,555

<b>TOTAL REVENUES</b>	<b>77,906</b>
-----------------------	---------------

**EXPENDITURES:**

Automation	595
Payroll and related taxes	17,589
Utilities	3,396
Supplies	2,420
Repairs and maintenance	1,928
Insurance	1,457
Professional services	2,197
Memberships	878
Workshops and travel	345
Library materials	8,065
Capital outlay	1,515
Miscellaneous	748

<b>TOTAL EXPENDITURES</b>	<b>41,133</b>
---------------------------	---------------

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>36,773</b>
---	---------------

<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>245,870</b>
--	----------------

<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 282,643</b>
----------------------------------	-------------------

See accompanying notes to general purpose financial statements.

# GALIEN TOWNSHIP PUBLIC LIBRARY

## STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended March 31, 2003

			Over (Under) Budget
REVENUES:	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>
Property taxes	\$ 35,000	\$ 38,125	\$ 3,125
State-shared revenues	3,000	2,673	(327)
County penal fines	23,500	25,836	2,336
Charges for services	1,000	1,004	4
Interest	7,225	8,713	1,488
Donations	-	1,555	1,555
<b>TOTAL REVENUES</b>	<b>69,725</b>	<b>77,906</b>	<b>8,181</b>
EXPENDITURES:			
Automation	500	595	95
Improvements	3,500	-	(3,500)
Payroll and related taxes	18,500	17,589	(911)
Utilities	4,000	3,396	(604)
Supplies	2,300	2,420	120
Repairs and maintenance	5,800	1,928	(3,872)
Insurance	1,330	1,457	127
Professional services	1,200	2,197	997
Memberships	1,000	878	(122)
Workshops and travel	1,000	345	(655)
Library materials	7,900	8,065	165
Capital outlay	4,350	1,515	(2,835)
Miscellaneous	1,424	748	(676)
<b>TOTAL EXPENDITURES</b>	<b>52,804</b>	<b>41,133</b>	<b>(11,671)</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>16,921</b>	<b>36,773</b>	<b>19,852</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>245,870</b>	<b>245,870</b>	<b>-</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 262,791</b>	<b>\$ 282,643</b>	<b>\$ 19,852</b>

See accompanying notes to general purpose financial statements.



**GALIEN TOWNSHIP PUBLIC LIBRARY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**

**Year ended March 31, 2003**

**NOTE A - REPORTING ENTITY:**

Galien Township Public Library is located in the Village of Galien, Michigan and provides services to residents in Galien, Bertrand and Weesaw Townships in the area of community enrichment through library services. The Library was established pursuant to MCLA 397.210 as an authority. The Library is a separate legal entity, however the Library cannot issue debt nor levy taxes without Township approval. It is operated as a free cooperative public library, and is governed by a six member board elected by the citizens of Galien Township.

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accompanying general purpose financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Library reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The general purpose financial statements include all operations of the Library.

**FUND ACCOUNTING:**

The accounts of the Library are organized into funds, each of which is considered to be a separate accounting entity. The following funds are used in accounting for the financial operations of the Library:

General Fund - The General Fund accounts for all revenues and expenditures of the Library, except those required to be accounted for in another fund.

**BASIS OF ACCOUNTING:**

The Library utilizes the modified accrual basis of accounting. Under this method of accounting, revenues are recognized when both "measurable and available". Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred.

**BUDGETS AND BUDGETARY ACCOUNTING:**

The Library Board of Trustees adopts an annual operating budget using the basis of accounting described above. Any budget revisions must be approved by the Library Board of Trustees.

**GALIEN TOWNSHIP PUBLIC LIBRARY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONTINUED**

**Year ended March 31, 2003**

**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONCLUDED:**

**ESTIMATES:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**COMPENSATING ABSENCES:**

The Library's personnel policies do not permit the accumulation and carryforward of vacation and sick days. Accordingly, no accrual has been recorded by the Library at March 31, 2003 for compensated absences, since such amounts are not material.

**TAX INFORMATION:**

Property tax revenues are recognized based on the date of tax levy (December 1).

**GENERAL FIXED ASSETS:**

Fixed assets should be accounted for in a general fixed assets account group. The Library has not maintained a complete record of general fixed assets, and accordingly, general fixed assets have not been included in the general purpose financial statements.

**NOTE C - CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents consisted of the following at March 31, 2003:

Petty cash	\$	55
Deposits in financial institutions		98,854
	\$	98,909

The above deposits in financial institutions of \$98,854 were reflected in the accounts of the Library's financial institutions (without recognition of checks written but not yet cleared, or of deposits in transit) at \$98,702. All cash balances were insured by federal depository insurance coverage at March 31, 2003.

**GALIEN TOWNSHIP PUBLIC LIBRARY**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS - CONCLUDED**

**Year ended March 31, 2003**

**NOTE D - INVESTMENTS:**

Investments consist of certificates of deposit in financial institutions with an original maturity of greater than three months. The balance held at March 31, 2003 was \$181,556. Of this amount, approximately \$28,846 was covered by federal depository insurance and \$152,710 was uninsured and uncollateralized.

**NOTE E - RESERVED FUND BALANCE:**

Reserved fund balance represents monies being held for Library maintenance and discretionary needs.